

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM**

Meeting Date: June 17, 2014

Request for Amendment of Initial Resolution

Prepared by: *Andrea Gonzalez*

Applicant: United Pacific Waste and/or its Affiliates	Amount Requested: \$14,890,000 TE \$225,000 TX
Project Location: City of Pico Rivera (Los Angeles County)	Application No.: 855(SB) Initial Resolution No.: 12-01 Prior Actions: IR approved 01/17/2012

Summary. United Pacific Waste and/or its Affiliates (the “Company”) requests an amendment of Initial Resolution 12-01 to decrease the dollar amount to an amount not to exceed \$15,115,000 to reflect the decreased scope of the project. The Company anticipates financing the acquisition of an existing operating site, CNG fueling station and waste collection equipment, including trucks and bins.

At the January 17, 2012 California Pollution Control Financing Authority (CPCFA) Board Meeting, an Initial Resolution for United Pacific Waste was approved for an amount not to exceed \$31,535,000. This amended request no longer includes the project in the City of Inglewood.

Borrower. The Company provides residential waste collection and disposal services to the Rowland Heights Area of Los Angeles County and other portions of the County of Los Angeles. The Company was incorporated in 2001 in California.

The principal stockholders of the Company are as follows:

Rouben Kandilian	18.000%
Michael R. Kandilian	30.590%
Michelle Kandilian	25.705%
Shana N. Kandilian	<u>25.705%</u>
Total:	<u>100.000%</u>

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed in the Legal Status portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

Project Description. The Company plans to purchase waste collection equipment, including trucks, containers, and carts. The Company currently leases its facility located in Pico Rivera and plans to purchase it. The site consists of 3 parcels totaling approximately 5.05 acres and buildings totaling approximately 73,000 square feet. The project will allow the Company to meet existing and anticipated new franchise requirements with services areas in Los Angeles County. The scope of the project has decreased because the Company did not secure the associated city contracts for the Inglewood project site.

Agenda Item 4.A.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation in October of 2014.

Financing Details. The Company anticipates the issuance of negotiated tax-exempt and taxable bonds. Of the amount issued, \$14,890,000 will be tax-exempt and the remaining \$225,000 will be taxable.

Financing Team.

Underwriter: Westhoff, Cone & Holmstedt

Bond Counsel: Law Offices of Leslie M. Lava

Issuer's Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of an amendment to Initial Resolution No. 12-01 for United Pacific Waste and/or its Affiliates for an amount not to exceed \$15,115,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

**Initial Resolution No. 12-01
Application No. 855(SB)**

**AMENDMENT OF INITIAL RESOLUTION TO ISSUE BONDS
TO FINANCE SOLID WASTE DISPOSAL/RECYCLING FACILITIES FOR
UNITED PACIFIC WASTE AND/OR ITS AFFILIATES**

June 17, 2014

WHEREAS, the California Pollution Control Financing Authority (“Authority”) by its Resolution No. 12-01 (“Initial Resolution”) has heretofore declared the Authority’s official intent to issue revenue bonds for the financing of solid waste disposal/recycling facilities to be owned and operated by United Pacific Waste, a California corporation, and/or its Affiliates (as defined therein) (collectively, “Company”), which facilities were expected to be comprised of the acquisition of land and buildings thereon, the construction and/or improvement of one or more buildings to house solid waste related operations, equipment maintenance and offices, the construction and installation of a CNG fueling station, the construction of site improvements and the acquisition and installation, if any, of equipment for the collection, processing, transfer and recycling of solid waste, including a spray booth, wash racks, loaders, collection trucks, carts, containers and other equipment functionally related thereto, to be located at the site described in Exhibit A thereto and hereto; and

WHEREAS, the Company now desires, and has requested the Authority, to amend the Initial Resolution in order to decrease the maximum principal amount of such revenue bonds from \$31,535,000 to \$15,115,000 and to extend the expiration date of the Initial Resolution from January 17, 2015 to June 17, 2017; and

WHEREAS, the Authority has determined that it is necessary and advisable that the foregoing be approved.

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Authority hereby approves the decrease in the maximum principal amount of such revenue bonds to \$15,115,000, and any references in the Initial Resolution to “\$31,535,000” shall be changed to “\$15,115,000”.

Section 2. The Authority hereby approves the extension of the expiration date of the Initial Resolution to June 17, 2017.

Section 3. The Initial Resolution, as amended by this Amendment of Initial Resolution, shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, it shall cease to be effective on June 17, 2017 unless prior thereto the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution, as amended by this Amendment of Initial Resolution, which it will do only after receiving a specific request for such action from the Company, accompanied by an explanation of the reason why the project has not proceeded prior to the date of the letter.

Section 4. Except as amended by Sections 1, 2 and 3 hereof, all provisions and conditions of the Initial Resolution shall remain unchanged and in full force and effect.

Section 5. The Executive Director of the Authority is hereby authorized and directed to do any and all ministerial acts in order to communicate this Amendment of Initial Resolution to the Company and otherwise to effectuate the purposes of this Amendment of Initial Resolution.

EXHIBIT A

NUMBER: 12-01

LOCATIONS: 4320, 4330 and 4334 San Gabriel River Parkway
Pico Rivera, California 90660

TYPE: Solid Waste Disposal/Recycling

AMOUNT: Up to \$15,115,000